

December 2007 Settlement Instructions

Pre-approval Filing

It is not required, but strongly suggested that you submit the December Settlement for pre-approval prior to actually completing the Settlement Sheet Form 105. The pre-approval filing can be done by email or fax or a combination of both. We strongly advise that you EMAIL or FAX the settlement for pre-approval prior to bringing or mailing it to our office. This can prevent a wasted trip or postage spent on a settlement that is not correct. We will review the EMAIL or FAX and let you know if the settlement is correct or not.

We would prefer that you EMAIL any settlement forms that are in a spreadsheet format. If parts of the settlement forms are not in a format that can be sent by EMAIL, then FAX the forms to our office at 317-232-6097.

The documents that must be submitted for pre-approval are:

- ✓ One Settlement Sheet Form 105. If you have your own spreadsheet for the Form 105, it can be used for the **pre-approval** process.
- ✓ One County Treasurer's Certificate of Tax Collections Form 49TC. This spreadsheet is provided by the Auditor of State's Office. The manual form is not available. You can substitute the prescribed form with a report from your computer system, or reports created from spreadsheet or word processing software as long as the substitute contains the same information as the prescribed form.
- ✓ One Settlement of Property Tax Replacement Credit (PTRC) and Homestead Credit (HSC) form 105A. This will be a spreadsheet provided by the Auditor of State's Office. For **pre-approval only** you can substitute the prescribed form with a report from your computer system, or reports created from spreadsheet or word processing software as long as the substitute contains the same information as the prescribed form.
- ✓ One Certificate of Error Register Form 127CER (**Summary form only**). You can substitute the prescribed form with a report from your computer system, or reports created from spreadsheet or word processing software as long as the substitute contains the same information as the prescribed form.
- ✓ One Certificate of Tax Refunds Form 17TC (**Summary form only**). You can substitute the prescribed form with a report from your computer system, or reports created from spreadsheet or word processing software as long as the substitute contains the same information as the prescribed form.

DECEMBER SETTLEMENT INSTRUCTIONS (continued)

- ✓ One Certificate of Homestead Credit Refunds Form 17HC (**Summary form only**). You can substitute the prescribed form with a report from your computer system, or reports created from spreadsheet or word processing software as long as the substitute contains the same information as the prescribed form.
- ✓ State Welfare Excise Tax Allocation (SWETA) Worksheet must be submitted. We will accept substitute forms produced by your computer system or word processing or spreadsheet software as long as it contains the same information as the SWETA worksheet we provide.
- ✓ One Reconciliation of State, COIT and CEDIT Homestead Credit Worksheet, if applicable. We will accept substitute forms produced by your computer system or word processing or spreadsheet software as long as it contains the same information as the Reconciliation of State, COIT, and CEDIT Homestead Credit Worksheet we provide.

If you receive a pre-approval, you can proceed with settlement while you are either bringing the settlement to our office, or mailing the settlement to our office. You will not receive an official approval until we receive the settlement on the required forms and we have received the state welfare excise tax allocation and, if any, the property tax replacement credit and state homestead credit due the state. You must submit the original forms to our office within a reasonable amount of time after the pre-approval. **Waiting more than a couple of weeks is unacceptable.**

Official Filing

The following forms must be filed when submitting the final December Settlement with the Auditor of State's Office:

None of the forms submitted have to be typed, but they must be legible and in **black ink**.

- ✓ **One** Settlement Sheet Form 105 provided by the Auditor of State's Office. The Settlement Sheet, Form 105, provided by the Auditor of State must be used. Substitute forms **will not** be accepted. **Add** the Settlement Sheet and **make sure** it balances (Section A, Section B and Section C).
- ✓ **Two** Report of Settlement of State Property Tax Replacement and Homestead Credits Received from the State, Form 105A, signed by the County Auditor and a check, if a refund is due the state. This remittance to the state **must be** on a separate check. If a balance is due from the state, then a check will be sent once the settlement is filed and approved. The Report of Settlement of State Property Tax Replacement and Homestead Credits from the State, Form 105A, provided by the Auditor of State must be used. Substitute forms **will not** be accepted.

DECEMBER SETTLEMENT INSTRUCTIONS (continued)

The following forms and/or electronic spreadsheets **must** be filed **if not previously sent** during the pre-approval process.

- ✓ **One** County Treasurer's Certificate of Tax Collections Form 49TC. This spreadsheet is provided by the Auditor of State's Office. The manual form is not available. You can substitute the prescribed form with a report from your computer system, or reports created from spreadsheet or word processing software as long as the substitute contains the same information as the prescribed form.
- ✓ **One** Certificate of Error Register County Form 127 CER (**Summary**). You can substitute the prescribed form with a report from your computer system, or reports created from spreadsheet or word processing software as long as the substitute contains the same information as the prescribed form.
- ✓ **One** Certificate of Tax Refunds Form 17TC (**Summary**). You can substitute the prescribed form with a report from your computer system, or reports created from spreadsheet or word processing software as long as the substitute contains the same information as the prescribed form.
- ✓ **One** Certificate of Refunds of Omitted Homestead Credits Form 17HC (**Summary**). You can substitute the prescribed form with a report from your computer system, or reports created from spreadsheet or word processing software as long as the substitute contains the same information as the prescribed form.
- ✓ **One** SWETA worksheet. We will accept substitute forms produced by your computer system or word processing or spreadsheet software as long as it contains the same information as the SWETA worksheet we provide. The SWETA remittance to the state **must be** on a separate check and must be filed with the settlement.
- ✓ **One** Reconciliation of State, COIT, and CEDIT Homestead Credit Worksheet, if applicable. We will accept substitute forms produced by your computer system or word processing or spreadsheet software as long as it contains the same information as the State, COIT, and CEDIT Homestead Credit Reconciliation Worksheet we provide.

If you bring the settlement in, it will be checked while you wait. It is advisable to call ahead and make sure that Brenda Alyea or Janie Cope will be available to check the settlement.

If you mail the settlement, it is recommended you do not use certified mail service. Regular mail service

or overnight mail services work better for deliveries to our office. The overnight mail services do generally deliver to our office by the next day.

DECEMBER SETTLEMENT INSTRUCTIONS

(continued)

Mailing address: Auditor of State
Settlement Director
Room 240 State House
200 W. Washington
Indianapolis, IN 46204-2793

None of the settlement forms have to be typed, but **they must be legible and completed in “black ink”**. **Forms submitted in pencil will not be accepted**. Some counties use a spreadsheet to generate the amounts for the settlement. Those counties **must enter** the amounts on Settlement Form 105. **Forms submitted with Section B information taped in will not be accepted**. The settlement forms **must** have the correct totals and balance, and may be returned if they do not. The amounts on the Settlement sheet must agree with the grand total amounts on Forms 127 CER, and 17TC. The amounts on the Form 105A must agree with the amounts on the Settlement Sheet and the Form 17HC, except for CEDIT and COIT homestead credit counties. The homestead credit amount on the Form 105A is only the state’s share of the homestead credit.

RECOMMENDED STEPS TO COMPLETING THE DECEMBER SETTLEMENT

READ INSTRUCTIONS



Before you begin the settlement I suggest you read these instructions and the State Board of Accounts instructions in Sections M, N and O of Chapter 9 of the County Auditor’s Manual and, if available, settlement instructions provided by your computer vendor.

Forms that can be completed prior to receiving tax collection certifications:

While waiting to receive tax collection certifications from the treasurer there are some things that can be done.

- √ The Certificate of Error Register, Form 127CER, the Certificate of Tax Refunds, Form 17TC, and the Certificate of Refunds of Omitted Homestead Credits, Form 17HC, can be prepared.

RECOMMENDED STEPS TO COMPLETING THE DECEMBER SETTLEMENT (continued)

- √ The examination of record payments can be entered on the Certificates of Tax Distribution, Form 22's.
- √ Tax advances can be entered on the Certificates of Tax Distribution, Form 22's.
- √ Excise tax can be balanced and the apportionment calculated (if your tax billing software allows for this). **Before excise tax is apportioned, the State Welfare Excise Tax Allocation MUST be subtracted from each taxing district's total excise tax.**

Steps to complete after Treasurer has certified tax collections:

When the Treasurer has certified tax collections the following steps are strongly recommended to complete the December Settlement. Coordinating with the treasurer to receive the collection information as each taxing district is completed, rather than having to wait until the treasurer is finished with all the taxing districts, will expedite the completion of the settlement.

When the treasurer has finished posting payments, then the right-hand side of the tax duplicate must be extended, either by running the right-hand side of the tax duplicate on your computer system or, heaven forbid, by manually extending and balancing the right-hand side of the duplicate. The tax duplicate is in balance when column 15 plus 16 minus columns 17 and 18 plus columns 19 and 20 minus columns 21 and 22 plus overpayments (if any) equals column 29.

- √ After the right-hand side of the tax duplicate has been run or completed, then the Apportionment Sheet Form 102 can be prepared. Some computer systems produce apportionment worksheets (also known as December Settlement worksheets). If your system does not produce apportionment worksheets, then you will need to manually complete the Form 102. Form 102 instructions are included later. If you need Form 102's you will need to contact your forms supplier.
- √ When the apportionment sheet is completed, then columns 6 through 11 of the Treasurer's Certificate of Tax Collections Form 49TC can be completed. Form 49TC instructions are included later. If applicable to the county the Reconciliation of State, COIT and CEDIT Homestead Credit Worksheet will need to be completed at this time to assist in completing the 49TC.

- √ After all apportionment sheets are completed and columns 6 through 11 of the Treasurer's Certificate of Tax Collections Form 49TC are completed, then the Settlement Sheet Form 105 can be completed. Settlement Sheet instructions are included later.

RECOMMENDED STEPS TO COMPLETING THE DECEMBER SETTLEMENT (continued)

- √ Once the Settlement Sheet Form 105 and columns 12 through 20 of the Treasurer's Certificate of Tax Collections 49TC are completed, then the Report of Settlement of State Property Tax Replacement and Homestead Credits Received from the State, Form 105A can be completed. Form 105A instructions are included later.
- √ When the Settlement Sheet and the Form 105A have been completed, then the settlement can be filed with the Auditor of State. See page one of these instructions for the forms required to be filed.
- √ The Quietus Worksheet can be prepared next. An example of the Quietus Worksheet is in Chapter 9 Section M of the County Auditor's Manual. Or you can use the Quietus Worksheet provided by the Auditor of State's office.
- √ Complete the Certificates of Tax Distribution Form 22's and balance to the Quietus Worksheet.
- √ Prepare settlement quietuses and distribution warrants. These should balance to the quietus worksheet and certificates of tax distribution.
- √ Balance settlement quietuses and warrants with the treasurer.
- √ After the settlement has been approved by the Auditor of State and is in balance with the County Treasurer, then issue distribution warrants to taxing units and pay the taxes due the State. If this step is prior to December 31, then also pay the fines and fees due the State.
- √ If the above step is to occur after December 31, then pay the State the fines and fees amount prior to December 31. **The fines and fees due the State must be paid on or before December 31.**
- √ Run Fall Penalty reports to apply the fall penalties and calculate the delinquent tax and penalties for next year's Abstract of Taxes. Some computer systems require this process to be performed prior to the Treasurer posting collections received after the fall installment due date.

FORM 102 - APPORTIONMENT SHEET SECTION A-1

Most county's tax systems generate Apportionment Sheets, also known as December Settlement Worksheets on some tax systems. Following are line by line instructions that can be used to manually complete an apportionment sheet, or used to verify the information on computer generated apportionment sheets.

CHARGES:

Charges Reported on March Abstract

Lines 3 through 6:

- Line 3, **Net Tax Amount**, *must equal* the Abstract Section 5, Column 15 minus Columns 4 and 5. (This also includes amounts on the TIF District lines from these columns.)
- Line 3, **Replacement Credit Amount**, *must equal* the Abstract Section 5, Columns 7 and 8. (This also includes amounts on the TIF District lines from these columns.)
- Line 3, **Homestead Credit Amount**, *must equal* the Abstract Section 5, Columns 11, 12 and 13. (This also includes amounts on the TIF District lines from these columns.)
- Line 4, **Late Assessment Penalty** *must agree* with the Abstract Section 5, Column 5. (This also includes amounts on the TIF District lines from this column.)
- Line 5, **Statement Processing Charge**, *must agree* with the Abstract Section 5, Column 4. (This also includes amounts on the TIF District lines from this column.)
- Line 6, **Delinquent Tax and Penalties**, *must agree* with the Abstract Section 5, Column 21. (This also includes amounts on the TIF District lines from this column.)

SECTION A-1		NET TAX, PEN & INT	STATE TAX REPL. CREDIT	HOMESTEAD CREDIT	TOTAL
1	CHARGES:				
2	Charges Shown on March Abstract:				
3	Current Property Taxes	0.00	0.00	0.00	0.00
4	Late Assessment Penalty	0.00			0.00
5	Statement Processing Charge	0.00			0.00
6	Delinquent Taxes, Penalties and Interest	0.00			0.00
7	Adjustments for Abstract Errors	0.00	0.00	0.00	0.00

FORM 102 - APPORTIONMENT SHEET
SECTION A-1
(continued)

Check the abstract amounts against the tax duplicate and/or settlement worksheet reports to make sure they agree. If they don't, then adjust the settlement by writing on line 7 "error on abstract" and either add the adjustment (if the duplicate is more than the abstract), or subtract the adjustment (if the duplicate is less than the abstract).

The amounts reported on lines 3 through 6 must agree with the approved abstract. Any adjustments to the abstract amounts must be reported on line 7.

If any abstract adjustment amounts are entered on line 7, then a letter of explanation must accompany the Settlement Sheet Form 105.

NOTE: If you have specially approved duplicates, the column numbers referenced in the following instructions may not agree with your duplicate. Also, some counties may use penalty reports rather than duplicates for your delinquent tax and penalty amounts.

Additional Charges:

Lines 11 through 20:

The amounts for these lines are obtained from the following: Tax Duplicates, Duplicate Summaries, or from Settlement Reports produced by your computer system. Pay close attention as to whether or not the net tax amounts, the replacement credit amounts and homestead credit amounts are per installment amounts or amounts for the year. If the amounts are per installment amounts, be sure to double them before entering them on the Apportionment Sheet, Form 102.

✦ Line 11, Additional Charges on **Real and Personal Property Taxes.**

Net Tax, Penalty and Interest Column: is the additional charge to the taxpayer.

State Replacement Credit Column: is the replacement credit due from the state on the additional charge.

Homestead Credit Column: is the homestead credit due on the additional charge. The homestead credit amount is the total of the STATE, CEDIT and COIT homestead credit.

FORM 102 - APPORTIONMENT SHEET
SECTION A-1
(continued)

Total Column: is the total of the Net Tax, Penalty and Interest Column, the State Replacement Credit Column and the Homestead Credit Column.

➤ Line 12, **Current Mobile Home Taxes.**

Net Tax, Penalty and Interest Column: is the mobile home tax charge to the taxpayer.

State Replacement Credit Column: is the replacement credit due from the state on all mobile home taxes.

Homestead Credit Column: is the homestead credit due on current and added mobile homes. The homestead credit amount is the **total** of the STATE, CEDIT and COIT homestead credit.

Total Column: is the total of the Net Tax, Penalty and Interest Column, the State Replacement Credit Column and the Homestead Credit Column.

- Line 13, **Late Assessment Penalties and Statement Processing Charges** that **were not** reported on the abstract.
- Line 14, **Interest Charged on Late Assessments** that **were not** reported on the abstract.
- Line 15, **Penalty Charged on the First Installment Delinquencies** Column 19 of the duplicate.
- Line 16, **Penalty Charged on Former Years Taxes Delinquencies** Column 20 of the duplicate.
- Lines 18 and 19, **Recharges of Delinquent Tax and Penalties.**
- Line 20, **Tax Judgments Collected Current Year.**
- Line 21, **Total Charges**, is total of Line 3 to Line 20.

FORM 102 - APPORTIONMENT SHEET
SECTION A-1
(continued)

8	Additional Charges and Assessments During Year:				
9	Current Tax (Including Tax for Prior Years,				
10	Other Than Delinquent Tax Recharged):				
11	General Property Tax	0.00	0.00	0.00	0.00
12	Mobile Home Tax	0.00	0.00	0.00	0.00
13	Late Assessment Penalty and Statement Processing Charge	0.00			0.00
14	Late Assessment Interest	0.00			0.00
15	10% Penalty on Current First Installment Delinquent	0.00			0.00
16	10% Penalty on Former Years' Tax Delinquent Added After May 10	0.00			0.00
17	Delinquent Tax, Penalties and Interest Recharged:				
18	Tax	0.00	0.00	0.00	0.00
19	Penalties and Interest	0.00			0.00
20	Delinquent Tax Judgments Collected	0.00			0.00
21	TOTAL CHARGES - Total of Lines 3 to 20	0.00	0.00	0.00	0.00

CREDITS:

Lines 25 through 33, can be obtained from the Tax Duplicates, Duplicate Summaries, or from Settlement Reports produced by your computer system.

- Line 25, **Second Installment Delinquencies**, Column 23 of the Tax Duplicate.
- Line 26, **First Installment Delinquencies**, Column 24 of the Tax Duplicate.
- Line 27, **Penalty Unpaid on First Installment**, Column 25 of the Tax Duplicate.
- Line 28, **Penalty Unpaid on Former Years Taxes Delinquent**, Column 26 of the Tax Duplicate.
- Line 29, **Former Years Delinquent Tax Unpaid**, Column 27 of the Tax Duplicate.
- Line 30, **Penalty and Interest Unpaid**, Column 28 of the Tax Duplicate.
- Line 31, **Total of Lines 25 Through 30**, should agree with the Total Delinquency at December Settlement, Column 29 of the Tax Duplicate.
- Line 32, **Taxes and Penalties Certified to the Clerk** for the current year, Column 21 of the Tax Duplicate.

FORM 102 - APPORTIONMENT SHEET
SECTION A-1
(continued)

➤ **Line 33, Certificates of Error Issued during the Year.**

The **Net Tax and Penalty Column** should agree with the Tax Duplicate, Column 17 and the Certificate of Error Register, Column 6.

The **Replacement Credit Column** **must equal** Column 2 of the Certificate of Error Register

The **Homestead Credit Column** **must equal** Column 3 of the Certificate of Error Register. The homestead credit amount is the total of the State, CEDIT and COIT homestead credit.

The **Total Column** of line 33 equals the total of the net tax column, the replacement credit column and the homestead credit column of the Certificate Error Register.

➤ **Line 34, Total Credits is the total of Lines 31 to 33.**

22	CREDITS				
23	Unpaid at This Settlement (Including All Charges				
24	and Assessments During Year)				
25	Current Second Installment	0.00			0.00
26	Current First Installment	0.00			0.00
27	10% Penalty Current First Installment	0.00			0.00
28	10% Penalty on Former Years' Tax Delinquent Added After May 10	0.00			0.00
29	Former Years' Delinquent Tax	0.00			0.00
30	All Penalties and Interest Unpaid (Except Lines 27 and 28)	0.00			0.00
31	Total Unpaid at This Settlement - Total of Lines 25 to 30	0.00			0.00
32	Tax, Pen. and Int. Certified to Clerk of Circuit Court	0.00			0.00
33	Certificates of Error Issued During Year	0.00	0.00	0.00	0.00
34	TOTAL CREDITS - Total of Lines 31 to 33	0.00	0.00	0.00	0.00

➤ **Line 35, Total Collected for the Year:** are the total charges minus the total credits (Line 21 minus Line 34).

➤ **Line 36, Settled for at June Settlement:** should agree with Line 2 Section A. If your county had only one tax due date, then this line will be blank.

102 - APPORTIONMENT SHEET
SECTION A-1
(continued)

- ✦ **Line 37, Amount for Apportionment:** is the line that indicates whether or not you are in balance with the treasurer. If the Net Tax and Penalty column of line 37 and Column 1 of the County Treasurer's Certificate of Tax Collections, Form 49TC, are the same, then you and the treasurer are in balance.

Also, if the Net Tax and Penalty column of line 37 and Column 1 of the County Treasurer's Certificate of Tax Collections, Form 49TC differ by the amount of overpayments, then you and the treasurer are in balance.

OVERPAYMENTS

Overpayments are acceptable differences between the Net Tax and Penalty column of line 37 and Column 1 of the County Treasurer's Certificate of Tax Collections, Form 49TC. All other differences **MUST** be resolved before you can continue with the settlement. The total amount of the overpayment(s) **must be** listed on the 49TC Excel spreadsheet.

- ✦ **Line 39, Erroneous Tax, Penalties and Interest Refunded,** is for deducting tax refunds reported on the Certificate of Tax Refunds, Form 17TC. The Net Tax and Penalty column of Line 39 should agree with the Refunded To Taxpayer column of the Form 17TC. The Replacement Credit Column of Line 39 should agree with the Tax Replacement Credit Due State column from the Form 17TC. The Homestead Credit Column of Line 39 should agree with the STATE Homestead Credit Due State, COIT Homestead Credit Due COIT Fund and the CEDIT Homestead Credit Due CEDIT HSC Fund columns from the Form 17TC.

If you elect to deduct boat and aircraft excise tax refunds from property taxes, then those refunds must be included on the Form 17TC and reported on line 39. You **should not** have vehicle excise tax refunds, because those refunds are paid by the state.

IMPORTANT

Do not show boat and aircraft excise refunds on Form 17TC or report them on Line 39- Erroneous Tax, Penalties and Interest Refunded, if one of the following is true:

- ☐ The refunds are paid directly from the Excise Tax Fund and not the County General Fund.

- If the refunds are paid from the General Fund and the General Fund is reimbursed from Excise Tax Receipts.

FORM 102 - APPORTIONMENT SHEET
SECTION A-1
(continued)

If boat and aircraft excise tax refunds are made from Excise Tax Receipts do one of the following:

1. Show the excise tax on Line 43, net of refunds.
 2. Show the excise tax on Line 43, before refunds and enter the amount of the refunds on Line 44.
- Line 40 is where special deductions and adjustments are entered. If a dollar amount is entered in line 40, then a description also needs to be entered on line 40.

For example: The county wrote a check to replace a bad check, the amount of the check would be entered on this line as a deduction.

If there had been an error on a previous settlement, then line 40 might be used to enter a correction that is necessary to bring the treasurer's and auditor's records in balance. If a previous settlement adjust is made then a letter of explanation needs to accompany the settlement.

- Line 42, **Net Total Property Tax for Apportionment**, equals line 37 minus line 39 and plus line 40 if a positive adjustment or correction is entered on line 40 or minus line 40 if a negative adjustment or correction is entered on line 40. The amounts on line 42 are the amounts that are transferred to Columns 6 through 9 of the County Treasurer's Certificate of Tax Collections, Form 49TC. **The total column of Line 42 is the amount of property tax that must be apportioned in the property tax column of Section B.**
- Line 43 or Line 43 minus 44 (depending on how you handle excise tax refunds and report them) is the excise tax amount that should be entered in Column 10 of the County Treasurer's Certificate of Tax Collections, Form 49TC. **This excise tax amount is also the excise tax amount that must be apportioned in excise tax column of Section B of the Apportionment Sheet.**

SWETA
State Welfare Excise Tax Allocation



The excise tax amount that is entered on the apportionment sheet and the Form 49TC and is

apportioned must be the excise tax after the deduction of State Welfare Excise Tax Allocation.

FORM 102 - APPORTIONMENT SHEET
SECTION A-1
 (continued)

✦ Line 46, **Total Column**, this amount should agree with Col. 11 of Form 49TC.

35	TOTAL COLLECTED THIS YEAR - Line 21 minus Line 34	0.00	0.00	0.00	0.00
36	Property Tax at June Settlement - Line 2, Section A	0.00	0.00	0.00	0.00
37	AMOUNT FOR APPORTIONMENT -- Line 35 minus Line 36	0.00	0.00	0.00	0.00
38	Deductions Before Apportionment:				
39	Erroneous Tax, Penalties and Interest Refunded	0.00	0.00	0.00	0.00
40	Any Additional Adjustments	0.00	0.00	0.00	0.00
41	TOTAL (Lines 39 and 40)	0.00	0.00	0.00	0.00
42	NET TOTAL PROPERTY TAX FOR APPORTIONMENT (Line 37 minus Line 41)	0.00	0.00	0.00	0.00
43	License Excise Tax For Apportionment	0.00			0.00
44					
45					
46	TOTAL NET AMOUNT FOR APPORTIONMENT -- Total of Lines 42 to 45	0.00	0.00	0.00	0.00

IMPORTANT


THE FORM 102, SECTION A-1 MUST BALANCE. IF IT DOES NOT, THEN THE SETTLEMENT SHEET FORM 105 WILL NOT BALANCE.

FORM 102 - APPORTIONMENT SHEET SECTION B

SECTION B

In Section B apportion the totals of Line 42, Section A-1, Property Tax and Line 43 or Line 43 minus Line 44, Section A-1, Excise Tax. **The excise tax amount apportioned must be the excise tax after the deduction of the State Welfare Excise Tax Allocation, but do not list the State Welfare Excise Tax Allocation in Section B.**

Most counties have computer programs that calculate apportionments, but in case you don't or if you wish to test your program you can find instructions on how to manually calculate apportionments in Chapter 9, Section M of the County Auditor's Manual.

SECTION B - TIF APPORTIONMENT

If your county does not have TIF Districts, then you can disregard the following explanations.

IMPORTANT

If a **TIF** area exists in a taxing district, then the amount of property tax that is to be distributed to the Redevelopment Commission **must be deducted before the apportionments are calculated**.

The amount of property tax to be distributed to the Redevelopment Commission is entered as a fund amount at the bottom of Section B. The amount of property tax to be deducted and distributed to the Redevelopment Commission will be the TIF taxes and, if applicable, Tax Increment Replacement (TIR) taxes in the TIF District.

The **TIR** tax distribution to the Redevelopment District will be composed of two parts:

➡ **Part One:** TIR taxes **within** the TIF District.

The TIR tax distribution of the TIR taxes within the TIF District must be deducted before the apportionments are calculated.

➡ **Part Two:** TIR taxes **outside** of the TIF District.

The TIR tax distribution of TIR taxes outside of the TIF District **is not** deducted prior to the apportionment calculations, but rather it is one of the fund amounts calculated during the

apportionment calculation.

FORM 102 - APPORTIONMENT SHEET
SECTION B
(continued)

Determining TIF Dollars to Distribute

One of two methods can be used to determine the amount of TIF dollars to distribute to a Redevelopment Commission:

- Tracking payments
- Using the Abstract.

When **payments** are used as the basis of determining the TIF distribution, then payments must be tracked parcel by parcel and delinquencies must be shown separately on the TIF District line of the next year's Abstract. **Basing the TIF distribution on the payments is the most preferred method.**

When the **Abstract** is used as the basis, then the TIF amounts shown on the Abstract are the basis of the TIF distribution and delinquencies are not tracked and are not shown separately on the TIF District line of the next year's Abstract. Reasons for using the Abstract as the basis of determining the amount of TIF dollars to distribute to a Redevelopment Commission are:

- Tax collection system does not have the capability of tracking payments on TIF parcels.
- Using the Abstract as the basis of the TIF distribution is easier than using payments as the basis, especially when there are many parcels in a TIF District.
- While in some years using the Abstract as the basis of the TIF distribution may result in distributing TIF dollars that were not paid by the taxpayer, ultimately the taxes could be paid because of tax sale enforcement procedures. Keep in mind there is no guarantee the property will be sold and taxes paid through the tax sale process.

BANKRUPTCY IN A TIF DISTRICT

If a taxpayer in the TIF District has filed bankruptcy or a bankruptcy is pending, then tax payments should be the basis of the TIF distribution and not the Abstract. Also, you should watch closely for other non-payment issues. In the situation where there is a delinquent taxpayer(s) whose assessed value generates a large portion of the increment of a TIF District, tax payments should be the basis of the TIF distribution and not the Abstract.

FORM 102 - APPORTIONMENT SHEET
SECTION B
(continued)

- If the Abstract has been the basis for distributions to the Redevelopment Commission and a TIF District is ending and there are unpaid taxes, then the final distribution to the Redevelopment Commission must be adjusted for the unpaid taxes at that time.
- Finally, when DLGF approved tax rates they used the TIF increment assessed value with the assumption of full payment. Therefore using the Abstract rather than payments as the basis of the TIF distribution reflects the TIF tax dollars that were subtracted out when tax rates were approved and reflects what the Redevelopment Commission is anticipating as the TIF distribution.
- If the abstract is used as a basis for distribution to the Redevelopment Commission and there is a correction to a TIF parcel, then the abstract amount must be adjusted prior to the calculation of the TIF district distribution.

TAX INCREMENT REPLACEMENT

With the **Tax Increment Replacement (TIR)** taxes it becomes more complex in some TIF Districts to determine the TIF distribution by tracking payments. The reason is the TIF distribution will be the combination of the TIF taxes and TIR taxes. Unlike **TIF** taxes where the **state does not pay PTRC**, the **state does pay PTRC** on **TIR** taxes.

Before when taxes paid was the method of determining the TIF distribution the net tax amount of TIF taxes paid was the TIF distribution amount. Now if taxes paid is the method used to determine the TIF distribution amount, the TIF distribution will be the combination of the net amount paid prorated between TIF and TIR **plus the PTRC** on the TIR taxes even inside the TIF Districts.

Aspects of TIR

The following sentences and paragraphs explain how to use the Abstract as the method of determining the TIF distribution and the TIR distribution to the Redevelopment Commission.

TIF, TIR & REDEVELOPMENT AREA

TIR OUTSIDE TIF: Is the TIR taxes from the **entire** redevelopment area.

TIR INSIDE TIF: Is the TIR taxes on the **increment value** in the TIF District.

FORM 102 - APPORTIONMENT SHEET
SECTION B
(continued)

If the redevelopment area encompasses several taxing districts, then the Redevelopment Commission will receive a TIR distribution based on the TIR rate in those several taxing districts.

A redevelopment area created by a city or town is the entire incorporated area of the city or town. A redevelopment area created by a county, it is the entire unincorporated area of the county.

If there is a TIR rate for a TIF District in a redevelopment area created by a city or town, then the TIR rate will be charged in all of the taxing districts that make up the incorporated area of the city or town.

If there is a TIR tax rate for a TIF District in a redevelopment area created by a county, then the TIR rate will be charged in all of the taxing districts that make up the unincorporated area of the county.

The tax distribution (**including excise**) allocated to the TIR based on the TIR rate (outside the TIF District) will be distributed to the Redevelopment Commission as a TIR distribution. In other words, the TIR distribution is set up as a fund to be distributed to the Redevelopment Commission. This fund will receive property and excise tax in the normal process of the allocating taxes based on tax rates. The TIR tax distribution generated by the TIR rate on the redevelopment area **outside** of the TIF District area will **not** be taken off the top prior to calculating tax distributions.

In the following explanation the Abstract amounts being referred to are the amounts on the TIF District lines below the subtotal. The following explanation may refer to Abstract columns that you will not have amounts in, because the explanation is covering every possible combination and not any one county will have every possible combination. Don't let this confuse you, if an Abstract column is mentioned that you do not have an amount in, then just skip over that step and proceed to the next step

Keep in mind as you read the following it is being explained how to use the Abstract to determine the Apportionment Sheet Section B TIF tax amount and, if applicable, the TIR tax amount within the TIF District. After the Section B amount has been determined, the final amount distributed (the amount you write the check for) will need to be reduced by any amounts that have been advanced to the Redevelopment Commission.

FORM 102 - APPORTIONMENT SHEET
SECTION B
(continued)

THE TIF TAX AMOUNT IS DETERMINED AS FOLLOWS

Abstract Section 4 Column 25 TIF
Minus: Abstract Section 5 Column 9 PTRC
Minus: Abstract Section 5 Column 10 PTRC
Equals: Total TIF Amount for the Year
Minus: June Settlement TIF Distribution
Equals: December Settlement Apportionment Sheet Section B TIF Amount

The above Section B TIF amount will be deducted from property taxes **prior to calculating tax distributions**. Also, the above Section B TIF amount will be shown as a fund amount in Section B of the Apportionment Sheet and the Settlement Sheet. When you distribute the TIF amount to the Redevelopment Commission you must show the TIF amount separately on the Certificate of Tax Distribution Form 22.

The final amount of TIF taxes you distribute to the Redevelopment Commission will need to be reduced by any TIF amounts that have been advanced to the Redevelopment Commission.

THE TIR TAX AMOUNT FROM WITHIN THE TIF DISTRICT
IS DETERMINED AS FOLLOWS

Abstract Section 4 Column 19 TIR on the TIF District line of the Abstract
Minus: June Settlement TIR Distribution (See Note Below)
Equals: December Settlement Apportionment Sheet Section B TIR Amount (See Note Below)

NOTE

The June Settlement amount subtracted here is only the TIR tax amount from within the TIF District and is not the TIR tax amount from outside of the TIF District. Also, the above December Settlement TIR tax amount is only the TIR tax amount from within the TIF District and is not the TIR tax amount from outside of the TIF District.

The aforementioned Section B TIR amount will be deducted from property taxes **prior to calculating tax distributions**. Also, the above Section B TIR amount will be shown as fund amount in Section B of the Apportionment Sheet and the Settlement Sheet. When you distribute the TIR amount to the Redevelopment Commission you must show the TIR amount separately on the Certificate of Tax

FORM 102 - APPORTIONMENT SHEET
SECTION B
(continued)

The final amount of TIR taxes you distribute to the Redevelopment Commission will need to be reduced by any TIR amounts that have been advanced to the Redevelopment Commission.

In addition to the TIR tax distribution from within the TIF District, the Redevelopment Commission will receive a TIR tax distribution from the TIR taxes outside of the TIF District. The TIR tax distribution from outside the TIF District **will not** be deducted from property taxes prior to calculating tax distributions. The TIR tax distribution (including excise tax) from outside the TIF District will be determined when you calculate regular tax distributions with your tax distribution programs.

The TIR tax distribution from outside the TIF District must be shown separately in Section B of the Apportionment Sheet and the Settlement Sheet. Also, the TIR tax distribution from outside the TIF District is distributed to the Redevelopment Commission it must be shown separate from the TIR tax distribution within the TIF District on the Certificate of Tax Distribution Form 22.

	Total Net Property Tax	License Total Excise Tax	Property And Excise
TIF	0.00	0.00	0.00
TIR in TIF	0.00	0.00	0.00
TIR outside TIF	0.00	0.00	0.00

FORM 49TC – COUNTY TREASURER’S CERTIFICATE OF TAX COLLECTIONS

Please note: for PTRC intercept counties there are a couple of changes in the instructions for completing the 49TC.

1. Please provide the Treasurer with the 49TC electronic spreadsheet as early as possible.
2. The Treasurer prepares Columns 1 through 5, based on **actual** collections and property tax replacement credit and homestead credit payments received from the state and the CEDIT and COIT homestead credit amounts, if any. Arrange with the treasurer to have the treasurer give you taxing district totals as they are completed rather than waiting until all taxing districts are completed before any totals are given to you. **This arrangement can reduce the time it takes to complete the settlement.**

a. New instructions for PTRC intercept counties. The Auditor will need to enter the intercept amount in the designated cell at the bottom of column 2 of the 49TC.

3. The Auditor’s part of the form is completed as follows:

Col. 6 = Net Tax and Penalty Column of Line 42 of the Apportionment Sheet, Form 102. Column 6 must also equal Column 1 of the 49TC minus tax refunds (Net Tax and Penalty Column of Line 39 of the Apportionment Sheet, Form 102) and minus overpayments, if any, that are included in Column 1 of the 49TC and plus or minus Apportionment Sheet Line 40 Adjustments, if any.

Col. 7 = State Tax Replacement Credit Column of Line 42 of the Apportionment Sheet, Form 102.

Col. 8 = Homestead Credit Column of Line 42 of the Apportionment Sheet, Form 102. The homestead credit amount for column 8 includes, if any, CEDIT and COIT homestead credit.

Col. 9 = Total Column of Line 42 of the Apportionment Sheet, Form 102. Column 9 **must** also equal Column 6 plus Columns 7, and 8 of the 49TC.

Col. 10 = Total of License Excise Tax to Be Distributed. This column must agree with Line 43 of Form 102, Section A-1 (In some counties it will agree with Line 43 minus Line 44, See Form 102 Section A-1 Line 43 instructions). **The excise tax entered in Column 10 of the 49TC and on the Apportionment Sheet must be the excise tax after the deduction of the State Welfare Excise Tax Allocation.**

**FORM 49TC – COUNTY TREASURER’S CERTIFICATE OF TAX
COLLECTIONS
(Continued)**

Col. 11 = Col. 9 + Col. 10. This column **must agree** with the total column of Line 46 of the Apportionment Sheet, Form 102.

Col. 12 = Col. 7

Col. 13 = Col. 2. **For those counties with PTRC intercept, Column 13 will be Column 2 plus the PTRC intercept amount from the PTRC Intercept spreadsheets provided to the county at the time of PTRC & HSC distribution.**

Col. 14 = Col. 12 minus Col. 13 (See Note on Page 23)

Col. 15 = Col. 8

Col. 16 = Col. 3

Col. 17 = Col. 15 minus Col. 16

Col. 18 = State Homestead Credit Portion of Col. 17 (See Note – Below)

Col. 19 = COIT Homestead Credit Portion of Col. 17

Col. 20 = CEDIT Homestead Credit Portion of Col. 17

NOTE

The total of Columns 14 and 18 (plus the Omitted Homestead Credit refunds reported on Form 17HC) should be the total shown on the Report of State Property Tax Replacement and Homestead Credits received from the State, Form 105A.

If the total of the Form 105A equals a balance due from the state, then the total of columns 14 and 18 (plus the Omitted Homestead Credit refunds reported on Form 17HC) should be a positive amount.

If the total of the Form 105A equals a refund due to the state, then the total of columns 14 and 18 (plus the Omitted Homestead Credit refunds reported on Form 17HC) should be a negative amount.

If your county is a COIT and/or CEDIT homestead credit county, then the total of Column 17 of the 49TC will differ from the amount on the Form 105A by the COIT and/or CEDIT share of the homestead credit. There are separate instructions provided to complete the State, COIT and CEDIT Reconciliation Worksheet. This information is necessary to complete columns 18, 19 and 20.

FORM 105 - SETTLEMENT SHEET

GENERAL INSTRUCTIONS

One Settlement Sheet, Form 105 must be filed with the Auditor of State. The Settlement Sheet, Form 105 provided by the Auditor of State must be used. Substitute forms **can not** be used and **will not** be accepted. For **pre approval** of the Settlement Sheet 105, we will accept forms produced by your computer system, word processing or spreadsheet software as long as it contains the same information on the form provided by our office.

The Settlement Sheet does not have to be typed, but it must be legible and **completed in black ink**. Copies submitted in pencil will be returned and the settlement will not be approved.

The Settlement Sheet, Form 105 **must** balance completely. Settlement Sheets that **do not balance** will be returned and the settlement will not be approved.

Section A of the Settlement **must be** completed with the June Settlement amounts. Settlement Sheets that **do not have** June amounts will be returned and the settlement will not be approved. **Unless your county had only one tax due date, then Section A will be blank.**

DECEMBER SETTLEMENT SECTION A-1

Section A-1 of Settlement Sheet, Form 105 is completed the same way as Section A-1 of the Apportionment Sheet, Form 102. Please refer to the Apportionment Sheet, Form 102 instructions for descriptions of each line item.

The amounts entered on the Settlement Sheet, Form 105 are the totals of the Apportionment Sheets, Form 102.

If you have an abstract adjustment on Line 7, then you **must submit** an explanation of the adjustment when the Settlement Sheet is filed.

If you have an entry on Line 40, other than a bad check deduction, then you **must submit** an explanation of the entry when the Settlement Sheet is filed. A description of the Line 40 adjustment also needs to be entered on the Settlement Sheet Form 105.

SECTION B: APPORTIONMENT

The amounts for Section B of the Settlement Sheet, Form 105 is the total of the Apportionment Sheets, Form 102 Section B amounts (December Settlement Portion Only).

The grand total of the Total Net Property Tax column of Section B **must agree** with the Total Column

of Line 42 of Section A-1.

FORM 105 - SETTLEMENT SHEET (continued)

The grand total of the License Excise Tax column of Section B **must agree** with the Total Column of Line 43 of Section A-1. State Welfare Excise Tax Allocation money (SWETA) is **not included** in this total.

SECTION C: STATE FUNDS

The amounts for lines 1, 2, 3, 4 and 5 are the totals of lines 1, 2, 3, 4 and 5 of Section B. The remaining amounts for Section C are your **November 30 funds ledger balances**. If you have a fee or fine to remit that is not listed in Section C, then write it in on a blank line. State Welfare Excise Tax Allocation (SWETA) money is **not included** in this total.

If there is an **Excess Levy deduction for any of the state funds**, then Section C will need to reflect those deductions. In the blank space next to the fund description enter the gross fund amount, then on the line subtract the excess levy amount and in the total column show the net amount to be paid to the state.

FINES AND FEES

PLEASE, REMEMBER THAT IF YOU CAN NOT REMIT THE TOTAL OF SECTION C BY DECEMBER 31, THEN YOU MUST AT LEAST REMIT THE FINES AND FEES AMOUNTS BY DECEMBER 31.

FORM 105A
SETTLEMENT OF PROPERTY TAX REPLACEMENT CREDIT AND
HOMESTEAD CREDIT FOR DECEMBER SETTLEMENT

The Report of Settlement of State Property Tax Replacement and Homestead Credit Received from the State, Form 105A provided by the Auditor of State must be used. Substitute forms **will not** be accepted.

Most of the amounts for the Report of Settlement of State Property Tax Replacement and Homestead Credit Received from the State, Form 105A are obtained from the Settlement Sheet and the relevant line of the Form 105A indicates which line of the Settlement Sheet to enter on the line of the Form 105A. COIT and/or CEDIT Homestead Credit counties will only report state homestead credit on the Form 105A. COIT and/or CEDIT Homestead Credit counties will obtain the state homestead credit amount from the auditor of state's State, COIT and CEDIT Reconciliation Worksheet. There are separate instructions for the completion of the worksheet.

COIT and CEDIT Homestead Credit Counties

The **state homestead credit only** is shown on the Form 105A filed with our office. COIT and/or CEDIT homestead credit counties will not show COIT and/or CEDIT homestead credit on the Form 105A. But COIT and/or CEDIT homestead credit counties will need to determine if additional COIT and/or CEDIT homestead credit is needed for settlement, or if there is excess COIT and/or CEDIT homestead credit.

The auditor of state's State, COIT and CEDIT Reconciliation Worksheet must be used to determine if additional State, COIT and/or CEDIT homestead credit is needed, or to determine if there is excess State, COIT and/or CEDIT homestead credit. There are separate instructions for this worksheet.

The “Less State property tax replacement credit and state homestead credit distributions included in June Settlement before intercepted property tax replacement credit:

This is the amount that was distributed in the June Settlement.

The “Net amount due from State this Settlement:

This amount is determined by taking the amount due from the State for the year (Total Charges minus Total Deductions) and subtracting the state property tax replacement credit and state homestead credit distributions included in the June Settlement before intercepted property tax replacement credit.

FORM 105A
SETTLEMENT OF PROPERTY TAX REPLACEMENT CREDIT AND
HOMESTEAD CREDIT FOR DECEMBER SETTLEMENT
(continued)

The “Balance due from or (refund due to) state before omitted homestead credit refunds”:

This amount is obtained by taking the net amount due from state this settlement and subtracting the state property tax replacement credit and state homestead credit distributions included in the December Settlement before intercepted property tax replacement credit.

The “Add: State portion of omitted homestead credit refunds”:

This amount is obtained from the Form 17HC. If there is an amount entered on this line, then a quietus equal to the amount entered on this line must be issued to the county general fund. This quietus must be included with the quietuses used to balance with the treasurer.

The “Balance due from or (refund due to) state after omitted homestead credit refunds”:

If the amount is **positive**, then you are due additional money from the state for state property tax replacement credit and state homestead credit.

If the amount is **negative**, then you need to refund state property tax replacement credit and state homestead credit to the state.

It is possible that you would be **due money from** the state on state property tax replacement credit and **owed money to the state** on state homestead credit. If this is the case you would **net the two** and determine if overall you are due money from the state or owe money to the state. The same principal applies if you owe on state property tax replacement credit and are due state homestead credit.

The state property tax replacement credit amount on the 105A for Balance due from or (refund due to) state after omitted homestead must balance with Column 14 of the County Treasurer’s Certificate of Tax Collections form 49TC.

The state homestead credit amount on the 105A for Balance due from or (refund due to) state, less the amount, if any, on the “Add: State portion of omitted homestead credit refunds” must balance with Column 17 of the County Treasurer’s Certificate of Tax Collections form 49TC.

FORM 105A
SETTLEMENT OF PROPERTY TAX REPLACEMENT CREDIT AND
HOMESTEAD CREDIT FOR DECEMBER SETTLEMENT
(continued)

COIT AND/OR CEDIT COUNTIES

For COIT and/or CEDIT homestead credit counties the homestead credit amount on the Form 105A will differ from Column 17 of the 49TC by the amount of the COIT and/or CEDIT homestead credit. COIT and CEDIT homestead credit counties must use the Reconciliation of State, COIT and CEDIT Homestead Credit worksheet to reconcile state, COIT and CEDIT homestead credit. Please read the instructions.

If the combined total of the state property tax replacement credit and state homestead credit equals a balance due from the state, then a check equal to the **combined total** will be sent to the county once the settlement has been filed and approved.

If the combined total of the state property tax replacement credit and state homestead credit equals a refund due to the state, then a check equal to the **combined total must be sent** with the settlement

IMPORTANT

If a refund is due the state, then the check written for the refund must be **SEPARATE** from any other check issued to the state.

If a refund is due the state and a check is not included with the settlement, then the settlement **will not be approved** until the check is received.

FORM 17HC

REFUND OF OMITTED HOMESTEAD CREDITS

The Auditor of State provides this form, but we will accept substitute forms produced by your computer system or from word processing or spreadsheet software as long as the substitute contains the same information that is on the Form 17HC we provide.

Use the Form 17HC to list refunds of omitted homestead credits. The total amount of State Homestead Credit refunds on Form 17HC, is entered on the Report of State Property Tax Replacement and Homestead Credits Received from the State, Form 105A on the line titled “Add: State portion of omitted homestead credit refunds”.

Note: Form 105A is the only place where the 17HC refunds are entered with the exception of the counties using the Reconciliation of State, COIT and CEDIT Homestead Credit Worksheet

Homestead credit refunds paid on a Claim Form 17 are shown on the Form 17HC. These are refunds made because the homestead credit was omitted, or the homestead credit was increased.

Refunds paid on a Claim Form 17T where the homestead credit amount **decreases** (the state is due a refund) are included on the Form 17TC.

Also, omitted or increased homestead credit refunds paid on a Claim Form 17T can be shown on the Form 17TC. In these instances the homestead credit amount will be shown on the Form 17TC as a negative amount.

Include a summary sheet listing the taxing district totals and a grand total of all taxing districts. The grand total State Homestead Credit Due County **must agree** with the amount on the “Add: State portion of omitted homestead credit refunds” line of the Form 105A. A quietus to the county general fund for the amount on the “Add: State portion of omitted homestead credit refunds” line of the Form 105 A must be prepared. This quietus must be included with the quietuses used to balance with the treasurer.

A warrant will need to be written or a transfer will need to be processed from the COIT fund to reimburse the county general fund the grand total amount of COIT Homestead Credit Due County. A warrant will need to be written or a transfer will need to be processed from the CEDIT homestead credit fund to reimburse the county general fund the grand total amount of CEDIT Homestead Credit Due County.

FORM 17TC CERTIFICATE OF TAX REFUNDS

The Auditor of State provides this form, but we will accept substitute forms produced by your computer system or from word processing or spreadsheet software as long as the substitute contains the same information that the Form 17TC we provide.

The Certificate of Tax Refunds, Form 17TC, is used to list property tax refunds deducted from settlement and boat and aircraft excise tax refunds if they are deducted from property taxes. A summary sheet listing each taxing district total and a grand total of all taxing districts **must** be filed with the settlement.

Refunds listed on the Form 17TC are deducted on Line 39 of the Apportionment Sheets, Form 102 and the Settlement Sheet, Form 105.

- ➡ The amount in the Refunded to Taxpayer Column is deducted in the Net Tax Column of Line 39 of the Apportionment Sheets, Form 102 and the Settlement Sheet, Form 105. The amount in the Refunded to Taxpayer column is the total amount refunded to the taxpayer **including interest**. **DO NOT show the interest in a separate column on the 17TC Form.**
- ➡ The amount in the Tax Replacement Credit Due State Column is entered in the State Replacement Credit Column of Line 39 of the Apportionment Sheets, Form 102 and the Settlement Sheet, Form 105.
- ➡ The amount in the Homestead Credit Column of Line 39 of the Apportionment Sheets, Form 102 and the Settlement Sheet, Form 105 is the total of the STATE, CEDIT and COIT homestead credit.
- ➡ The amount in the total column of the Form 17TC is the sum of the amount Refunded to Taxpayer, the Tax Replacement Credit Due State, the State Homestead Credit Due State, the COIT Homestead Credit Due COIT Fund, and the CEDIT Homestead Credit Due CEDIT HSC Fund.
- ➡ **The Total Column of the Form 17TC should also be the same as the Total Column of Line 39 of the Apportionment Sheets, Form 102 and the Settlement Sheet, Form 105.**

FORM 127 CER CERTIFICATE OF ERROR REGISTER

The Auditor of State **does not** provide this form. This report form must be obtained from the printer that provides your county forms. A substitute report form produced by your computer system or from word processing or spreadsheet software will be accepted as long as the substitute contains the same information as the prescribed form.

A detailed Certificate of Error Register, Form 127 CER listing each certificate issued during the year **no longer** must be filed. **You must provide a Certificate of Error Register Summary by taxing district of the Certificate of Error Register, form 127 CER.**

The grand total of the summary sheet **must agree** with Line 33, Section A-1 of the Settlement Sheet. Send only the Certificate of Error Register Summary sheet, not copies of the actual Certificates of Error.

The majority of the problems with the Certificate of Error Register Summary are usually:

- ➡ **The totals of the register are not verified to the Tax Duplicate, or to the Apportionment Sheets, Form 102, or to the Settlement Sheet, Form 105.**

You must verify the totals of the Certificate of Error Register Summary to the Tax Duplicate. The taxing district total of the Certificate of Error Register Summary “Amount Entered to Tax Duplicate” column **must agree** with certificate of error column of the tax duplicate. Also the taxing district totals of the Certificate of Error Register Summary **must agree** with the amounts on Line 33 of The Apportionment Sheets, Form 102. The grand total of the Certificate of Error Register Summary **must agree** with the amounts on Line 33 of the Settlement Sheet, Form 105.

- ➡ **Certificates of Error removing or reducing prior year’s tax.**

Certificates of Error removing or reducing prior year tax may not be correct if property tax replacement credit or homestead credit is not included on the certificate. A certificate of error removing or reducing prior year tax **should include** replacement credit and possibly homestead credit.

Making the certificate of error for the net amount of tax due and the accumulated penalties will remove the taxes from the duplicate, but the certificate of error will not be correct because the replacement and/or homestead credit was not included.

The only two times you will have a certificate of error removing or reducing prior year tax that will not include replacement and/or homestead credit is when you are removing penalties only or when you are removing delinquent tax and penalties from one taxpayer to add to another taxpayer.

FORM 127 CER
CERTIFICATE OF ERROR REGISTER
(continued)

➡ **A Certificate of Error to correct homestead credits.**

The easiest way to correct an omitted homestead credit and the taxpayer has not paid the taxes is to completely remove the original entry with a certificate of error and then re-enter the taxes, as an additional charge, with the correct amount of homestead credit. If the taxpayer has paid some or all of the taxes, then the homestead credit will have to be corrected with a refund. If the taxpayer has some taxes remaining due, then the refund can and should be made payable to the treasurer and applied to the taxes remaining due.

THE CERTIFICATE OF ERROR REGISTER and the SUMMARY MUST BALANCE! If it doesn't then the tax duplicates and the settlement may not be correct.

The Certificate of Error Register is in balance when:

- ➡ The gross tax minus the property tax replacement credit minus the homestead credit equals the net tax.
- ➡ The net tax plus the penalties and interest equals the amount entered on the tax duplicate.

The Certificate of Error Register Summary amounts transfer to the Apportionment Sheet, Form 102 and the Settlement Sheet, Form 105 as follows:

- ➡ The "Credit on Tax Duplicate" column of the Certificate of Error Register Summary is entered in the "Net Tax and Penalty" column of the Apportionment Sheet, Form 102 and Settlement Sheet, Form 105.
- ➡ The "Property Tax Replacement" column of the Certificate of Error Register Summary is entered in the "Replacement Credit" column of the Apportionment Sheet, Form 102 and Settlement Sheet, Form 105.
- ➡ The "Homestead Credit" column of the Certificate of Error Register is entered in the "Homestead Credit" column of the Apportionment Sheet, Form 102 and Settlement Sheet, Form 105. The homestead credit amount is the total of the STATE, CEDIT and COIT homestead credit.

QUESTIONS



If you have any questions concerning the December 2007 Settlement process, please e-mail Brenda Alyea at balyea@auditor.in.gov or Janie Cope at jcope@auditor.in.gov.

If you do not have access to e-mail, please call Brenda at (317) 232-3336 or call Janie at (317) 233-3008.

